

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03 H-01

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02

OPIC-03 LAB-04 SIL-01 IGA-02 SSM-03 /087 W

-----211412Z 023857 /53

R 211247Z MAR 77

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 2973

LIMITED OFFICIAL USE SECTION 1 OF 2 CAIRO 4766

E.O. 11652: N/A

TAGS: USEGJC, EINV

SUBJECT: OPEN DOOR: U.S. FREE ZONE INVESTMENTS

REF: (A) CAIRO 3041, (B) CAIRO A-30

1. ONE OF THE DIFFICULTIES IN KEEPING TRACK OF NUMBER AND STATUS OF U.S. INVESTMENT PROPOSALS IN EGYPT IS RELATIVE SECRECY WITH WHICH DATA ARE HANDLED BY INVESTMENTS AND FREE ZONES AUTHORITY(THE ONLY SOURCE--IN THEORTY--FOR A COMPLETE PICTURE SINCE SOME AMERICAN FIRMS DO NOT KEEP EMBASSY INFORMED.) TO A LARGE DEGREE, THIS SECRECY IS RESULT OF NORMAL BUREAUCRATIC PROCEDURE, COUPLED WITH PROPRIETARY NATURE OF PARTS OF THE INFORMATION, BUT THERE IS AN ADDED ELEMENT HERE: A NEED TO PROTECT GOE'S OFT-STATED PUBLIC POSITION THAT THERE ARE HUNDRED OF ACTIVE INVESTMENTS. AS DEPARTMENT IS WELL AWARE, THERE ARE NOT VERY MANY GENUINE INVESTMENTS INVOLVING U.S. FIRMS, OR ANY OTHERS FOR THAT MATTER.

2. WE HAVE BEEN TOLD THAT EVEN WITHIN THE AUTHORITY, THERE ARE VERY FEW PEOPLE WHO HAVE MORE THAN A PARTIAL KNOWLEDGE OF THE ACTUAL SITUATION DUE TO THE CLOSENESS

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WITH WHICH THE MATERIALS ARE GUARDED. FORD FOUNDATION CONSULTANT ARMSTRONG, FOR EXAMPLE, SAYS HE IS UNABLE TO PERFORM SOME OF HIS ADVISORY FUNCTIONS DUE TO HIS INABILITY TO STUDY APPLICATIONS AND EXTRACT INFORMATION ON IMPEDIMENTS THAT AFFECT SIGNIFICANT NUMBER OF PROJECTS, ETC.

3. EMBASSY HAS ACQUIRED AN INTERNAL REPORT OF THE AUTHORITY, WHICH PURPORTS TO BE A LISTING BY COMPANY NAME OF AMERICAN PROJECTS IN THE FREE ZONES AS OF THE END OF AUGUST, 1976. REPORT IS TO DIRGEN OF FOREIGN RELATIONS OF AUTHORITY IN RESPONSE TO HIS REQUEST FOR STATUS OF PROJECTS BY COMPANIES IN COUNTRIES VISITED BY PRESIDENT SADAT (PROBABLY IN 1976). AN UNOFFICIAL TRANSLATION IS PRESENTED BELOW:

4. NAME SITUATION REMARKS

THE GEOPHYSICAL SERVICE CO. STARTED THE EXECUTION -----

THE MANUFACTURER HANOVER STARTED THE EXECUTION -----
TRUST BANK

THE DRESSER CO. FOR STORAGE STARTED THE EXECUTION -----
OF OIL DRILLING #
PROSPECTING EQUIPMENT.

MILCUM CO. FOR STORAGE OF STARTED THE EXECUTION -----
OIL DRILLING EQUIPMENT

THE MCEVOY EGYPTIAN STARTED THE EXECUTION -----
EQUIPMENT CO.

THE MARK/FAHMY POLYSTER DID NOT START (LAND IS TO BE
FIBRES CO. EXECUTION RENTED, CONS-
TITUTION

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CONTRACT OF THE
COMPANY IS NOT
PRESENTED YET.)

TAM OIL FIELD STARTED THE EXECUTION -----
MARINE METALLIC ESTABLISHMENTS DID NOT START (SEARCHIING
MANUFACTURING EXECUTION FOR A LOCATION
AFTER CLEARING
MINE FIELDS)

TABCO (RESERVOIR FOR THE THE PORT SAID (TRANSFERRED
STORAGE OF TRANSPORT FREE ZONE BOARD TO THE PORT
SAID ZONE
MEANS AND OIL EQUIPMENT APPROVED IN OCTOBER 75

MURGAN MARINE FIELD APPROVAL WITHDRAWN -----

THE JOHN FISHER READY MADE HAS NOT STARTED (SEARCHING FOR
PANTS EXECUTION LOCATION)

STORAGE OF OIL EQUIPMENT STARTED IN THE (ADDED A NEW
(THE SAHARA COL) NEW FIELD OF FIELD FOR MANU-
ACTIVITY. FACTURING
EQUIPMENT)

STORAGE OF EQUIPMENT AND DID NOT START (WAITING FOR
DRILLING SERVICES CO. EXECUTION PREPARING THE
ALEX AND SUEZ
ZONES)

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TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03 H-01
CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02
OPIC-03 LAB-04 SIL-01 IGA-02 SSM-03 /087 W
-----211410Z 023853 /53

R 211247Z MAR 77
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 2974

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BUILDING MATERIALS' MANU- DID NOT START (LOOKING FOR
FACTURING (CHRISTOPER EXECUTION FOR LAND)
BOOMIS)

MANUFACTURING & ASSEMBLY DID NOT START (TO COMPLETE
OF VEHICLES EXECUTION TECHNICAL DIS-
CUSSIONS WITH
THE NASR AUTO
CO.)

ASSEMBLY AND MANUFACTURE OF DID NOT START (WAITING FOR
HEATERS & REFRIGERATION EXECUTION THE ECON.
EQUIPMENT FEASIBILITY
STUDIES)

STORAGE OF THREADS, TEXTILES ----- (TRANSFERRED
& YARN EQUIPMENT TO THE PORT
SAID ZONE)

(ECON AGRICULTURAL DEVELOPMENT COM) (WITHDRAWN)

INTERNATIONAL VEDCO CORP. DID NOT START (DID NOT
(FOR ASSEMBLY OF ELECTRONIC EXECUTION RECEIVE AN
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DEVICES) ANSWER FROM
THE COMPANY
YET)

ARTHUR ANDERSON CONSULTANTS DID NOT START (CONSULTANTS
EXECUTION TO BE TRANS-
FERRED TO
INTERNAL
INVESTMENT
SECTOR)

CITIBANK ----- (TRANSFERRED
TO THE PORT
SAID ZONE)

DYNAMIC SHIP BUILDERS DID NOT START (SEARCHING FOR
EXECUTION LAND)

INTERNATIONAL AGENCY FOR STARTED -----
INVESTMENT AND TRADE EXECUTION
(INORIN LTD.)

M.R.C. CO. DID NOT START (APPROVAL IN
EXECUTION JUNE 1976)

5. COMMENT: AS CAN BE SEEN, SOME OF THE NAMES MAY HAVE BEEN
LOST IN TRANSLATION INTO AND THEN OUT OF ARABIC, BUT THE LIST
IS THE FIRST CLEAR VIEW OF HOW THE GOE APPARATUS PERCEIVES
THE SITUATION IN TERMS OF ACTIVE AND PASSIVE PROPOSALS. SOME
OF THOSE LISTED AS ACTIVE, E.G. MANUFACTURERS HANOVER, ARE
INDEED IN FULL OPERATION, BUT SOME OF THE PASSIVE ONES, E.G.,
CHRISTOPHER BOOMIS, WERE PROBABLY NEVER FEASIBLE AT TIME THEY
WERE FIRST PUT FORWARD AND THERE IS LITTLE UTILITY IN INCLUDING
THEM ON LIST. DOCUMENT DOES SERVE TO RECONFIRM LACK OF REALITY
IN EGYPTIAN PRESENTATION OF WHERE FOREIGN INVESTMENT IN GENERAL
NOW STANDS, HOWEVER, AND ALONG WITH INFORMATION CONTAINED IN
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REFTEL AND REPAIR INDICATES HOW ALL THE MISLEADING STATEMENTS

ON THE SUBJECT ARE GENERATED.
MATTHEWS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Concepts: FOREIGN INVESTMENT, PROGRAMS (PROJECTS)
Control Number: n/a
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Sent Date: 21-Mar-1977 12:00:00 am
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Disposition Approved on Date:
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Secure: OPEN
Status: NATIVE
Subject: OPEN DOOR: U.S. FREE ZONE INVESTMENTS
TAGS: EINV, EG, USEGJC
To: STATE
Type: TE
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